

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **September 28, 2004, Work Session**

AGENDA ITEM NO.: 5B

CONSENT:

REGULAR: **X**

CLOSED SESSION:
(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: **Greater Lynchburg Transit Company (GLTC) FY 2004 Surplus Local (City) Funds**

RECOMMENDATION: The GLTC Board recommends that the \$33,035 surplus be used to pay for asphalt repairs at the Plaza Transfer Station (estimated at \$25,000) with the balance to be returned to the City's "Reserve to Support Transit Operations" Fund. The Board also considered two other options:

- 1.) Return the entire surplus to the City's General Fund
- 2.) Return the entire surplus to the City's "Special Reserve to Support Transit Operations".

SUMMARY: GLTC received two supplemental appropriations in FY 2004 totaling approximately \$150,000 to cover a projected operating deficit. At year's end, due to various cost cutting measures, GLTC's deficit would have been approximately \$120,000 without the additional appropriations from the City.

PRIOR ACTION(S): December 12, 2000, City Council directed that "any appropriations to the GLTC operating funds which remain unspent at the end of each fiscal year will be transferred to the previously established GLTC Special Reserve to Support Transit Operations, with a cap not to exceed the amount of the City's annual contribution, and will be used to meet any projected funding shortfalls prior to requesting consideration for additional funding from the City." At the start of FY 2004, the "Reserve" balance was zero.

FISCAL IMPACT: GLTC's FY 2005 operating budget does not include \$25,000 for asphalt repairs at the Plaza. If GLTC does not use the FY04 surplus for this expenditure, it would have to seek adjustments in its current FY 2005 budget. Further, with the uncertainty of fuel costs, the GLTC Board thought it prudent to request that the year-end surplus funds remain with GLTC to cover any unanticipated costs in FY 2005. GLTC will keep City Council informed of ongoing fiscal challenges as the year progresses.

CONTACT(S): Michael J. Carroll, GLTC General Manager, 847-5311x204

ATTACHMENT(S): None

REVIEWED BY: lkp